

**TOP SECRET**

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(44)

CENTRAL INTELLIGENCE AGENCY

*Memorandum*



THE SITUATION IN VIETNAM

Information as of 1600  
19 July 1966

State Dept. review completed

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HIGHLIGHTS

For the first time since 24 April a manned US aircraft has been shot down by a surface-to-air missile over North Vietnam. In South Vietnam, a joint US/ARVN operation in the northern part of Quang Tri Province continues to inflict heavy casualties on elements of the PAVN 324th Division.

I. The Military Situation in South Vietnam:  
Enemy troops suffered heavy casualties as Operation HASTINGS continues in Quang Tri Province (Paras. 1-2).

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Recent activity indicates Viet Cong forces may be planning action in Binh Dinh Province (Para. 7). A captured Viet Cong describes the 324th NVA Division (Paras. 8-9).

II. Political Developments in South Vietnam:  
Vietnamese, Filipino, and Korean employees of the RMK construction project at Cam Ranh went on strike today (Para. 1). The US Embassy has reported that a strike by RMK employees in the Saigon area may resume early next week (Para. 2). The Viet Cong are broadcasting their concern over low food production in Gia Dinh Province (Paras. 3-5).

III. Military Developments in North Vietnam:  
A manned US aircraft was downed by a surface-to-air missile over North Vietnam for the first time since 24 April (Para. 1). Two additional US aircraft were lost to ground fire today on strikes north of Hanoi (Para. 2).

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information on the North Vietnamese Navy is disclosed by the captured crews of three motor torpedo boats. (Paras. 4-7).

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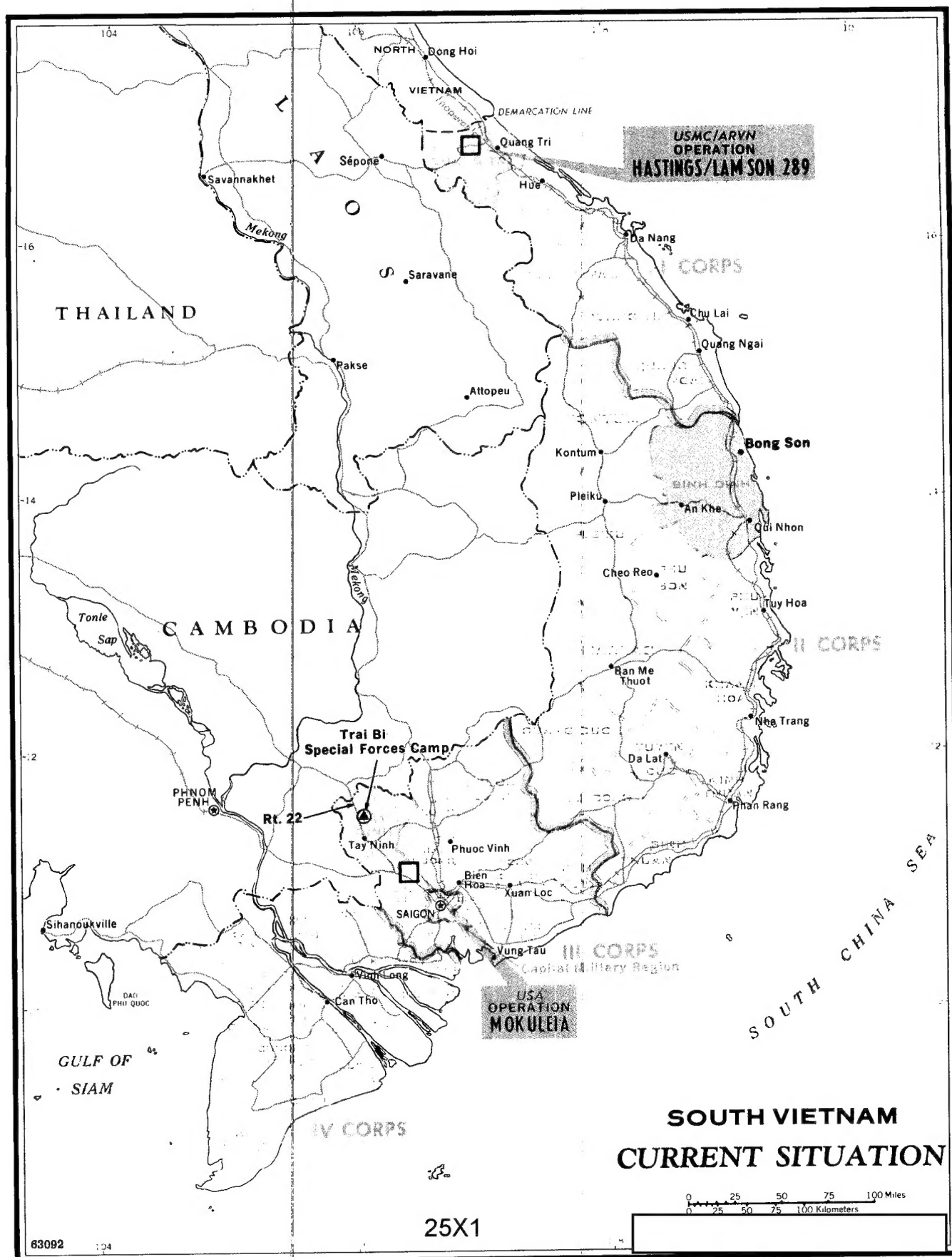
IV. Other Communist Military Developments:  
There is nothing of significance to report.

V. Communist Political Developments: A recently captured Communist document has provided one of the most explicit descriptions of the manner in which the Communist Party exercises control over the NFLSV (Paras. 1-3).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Operation HASTINGS/LAM SON 289 continues in northernmost Quang Tri Province with two US marine platoons attacked by an estimated 1,000-man Communist force yesterday. The Viet Cong attacked the 65-man American position from four directions. Heavy fighting followed the initial attack until US reinforcements arrived. Artillery and tactical air strikes supported the US forces for four hours.

2. Fourteen Americans were reported killed and a total of 48 wounded in the operation on 18 July. A total of 138 Communists have been killed in the action according to a US body count, and as many as 300 more may also have been killed according to US military officials.

3. A company of the US 25th Infantry Division, participating in search-and-destroy Operation MOKULEIA, engaged an enemy force of unknown size early this morning. Contact was broken after an hour and half and the US unit was withdrawn from the area. Subsequently, artillery and tactical air strikes hit the enemy positions. Casualties included eight Americans killed and 24 wounded with 36 Viet Cong killed.

4. A South Vietnamese regional force outpost approximately 15 miles northwest of Saigon was attacked yesterday by an estimated battalion-size Viet Cong force employing small arms, recoilless rifles, and mortars. An hour later the Trung Lap training center, five miles to the west of the outpost, received 15 60-mm. mortar rounds. Units of the US 25th Infantry Division were dispatched as a reaction force, but the enemy had withdrawn and no contact was made. South Vietnamese casualties from both incidents totaled seven killed and 28 wounded. Communist casualties are unknown.

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Viet Cong Units May Be Planning Attacks in Binh Dinh Province

7. There are continuing indications of an enemy threat in coastal Binh Dinh Province. Two encounters on 6 and 12 July with elements of the 2nd Viet Cong Regiment of the 610th Division indicate a willingness to engage friendly forces despite recent heavy losses. This unit lost a total of 483 killed in Operation CRAZY HORSE, which ended on 6 June. The other regiments of the 610th Division in the north-eastern corner of Binh Dinh Province have not been engaged since Operation WHITE WING last March.

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Captured Viet Cong Describes 324th NVA Division

8. Initial interrogation of a Viet Cong prisoner captured on 17 July in Operation HASTINGS in Quang Tri Province indicated that on 16 July his unit--a regiment subordinate to the 324th North Vietnamese Army Division--was attacked by air and artillery. In the confusion he managed to escape. The following day he observed his own battalion retreating toward the Ben Hai River and he decided not to re-join for fear of punishment.

9. The prisoner stated that the 324th Division consists of three regiments, each having three battalions. These units are below strength because of heavy casualties, and in his opinion morale was very low and medical supplies were insufficient to meet the present situation. Ammunition, food, and equipment was also said to be in short supply. He said that his battalion crossed the Ben Hai River on 9 or 10 July. He also stated that advance warnings were received prior to B-52 Strato-fortress strikes and his battalion suffered few casualties from the strikes because tunnels had been dug to afford protection.

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## II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

### RMK Workers Strike at Cam Ranh: Strike in Saigon May Resume Soon

1. The RMK construction project at Cam Ranh bay, involving major port and airfield facilities, was halted today by a walkout of 4,300 Vietnamese, Filipino, and Korean employees. A partial walkout was begun yesterday by Korean and Filipino workers following management attempts to tighten work rules. Today, all employees cooperated for the first time in staging a completely effective strike. The general manager for RMK--the major US construction combine in Vietnam--and the Korean and Filipino labor attaches have flown to Cam Ranh to investigate.

2. The US Embassy has commented that all grievances involved are not yet clear but that wages were not an issue according to preliminary field reports. Workers at Cam Ranh did not join the strike against RMK in the Saigon area last month, although Filipino workers were reported restive. However, the embassy has further reported that the wage increase awarded all RMK employees on 3 July may not prove satisfactory, and that another strike in the Saigon area may begin on 25 July, shortly after workers receive pay envelopes which reflect the recent increase for the first time.

### Viet Cong Food Problems

3. The Liberation Radio on 17 July broadcast the text of an editorial in a front newspaper in Gia Dinh Province which expressed in some detail concern over the difficulties the war is inflicting on the insurgents' ability to raise and store food in the area. Viet Cong problems are probably particularly acute in Gia Dinh, which surrounds Saigon and is considered a relatively pacified area, but the specific difficulties cited appear applicable to other major rice-producing areas.

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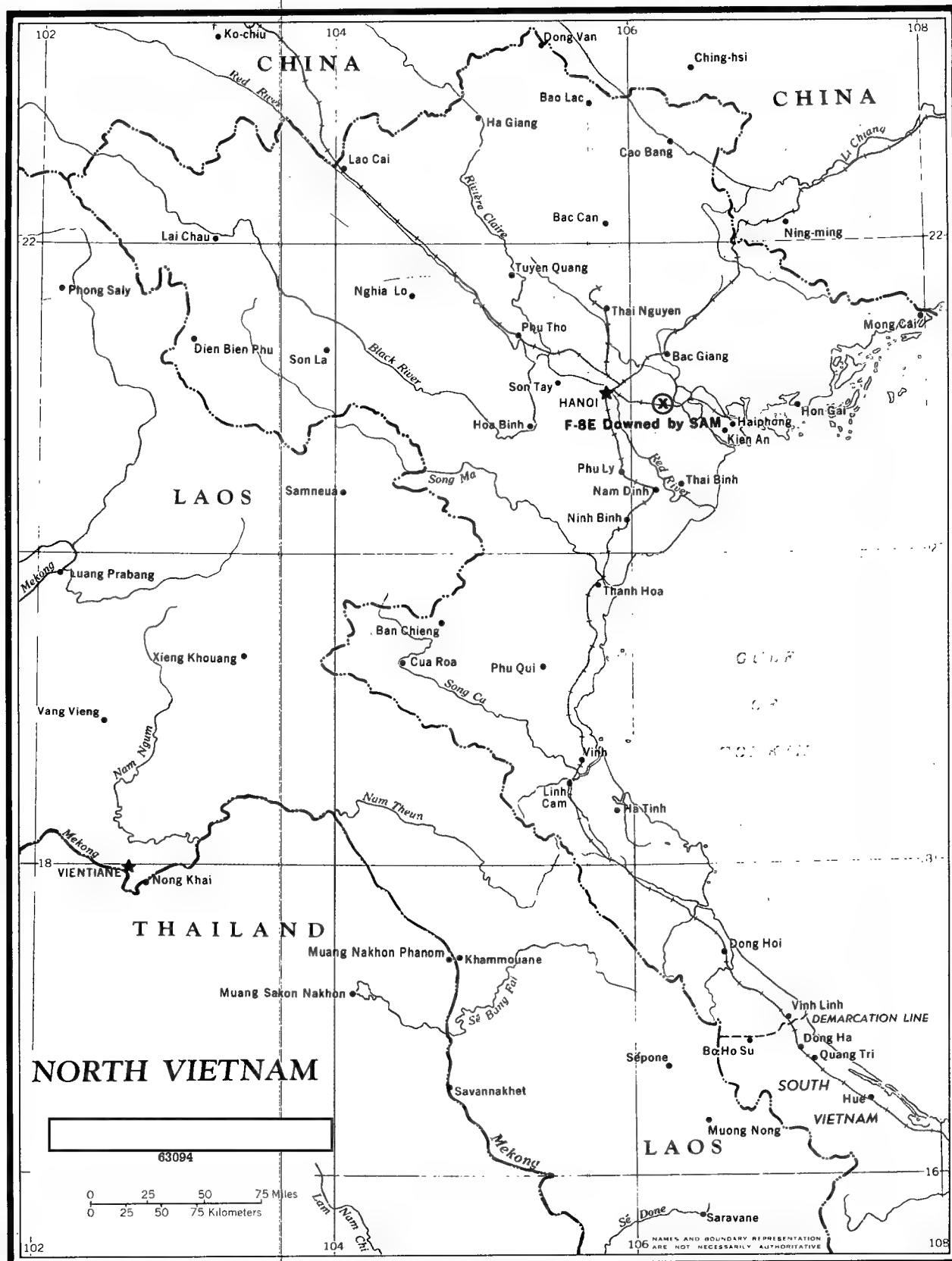
4. The broadcast listed a series of problems that have complicated the production of food in the Gia Dinh area, claiming in particular that two of the most important were manpower shortages and a lack of funds. Liberation Radio claimed that it was necessary to mobilize women to engage in production, and that guerrilla units and agencies also had to engage in producing food and secondary crops. The broadcast warned that both fear of hardships and self-complacency must be overcome in order to step up production, and emphasized the importance of food production in order to continue the war.

5. The US sweep operations and bombing raids have also hurt the food situation in the province, according to the broadcast. Liberation Radio urged the Liberation forces to build high embankments to protect the rice fields from inundation, and called for the "camouflage" of new seedlings. The broadcast also called for the immediate consolidation of the ranks of the political "struggle" movement "in order to force the enemy to cease the shelling and bombing so that compatriots may work in peace." The populace is also urged to strengthen the protection of rice and secondary crops to keep them from being damaged or falling into the enemy hands.

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### III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. An F-8E Crusader aircraft was shot down by an SA-2 missile today 22 miles east-southeast of Hanoi. This is the first loss of a manned US aircraft to a surface-to-air missile since 24 April 1966. The F-8E was providing cover for attack aircraft striking the Co Trai railroad and highway bridge. The fighter was observed by wingmen to have been immediately enveloped in flames after being hit, and the chance of pilot survival is considered slight.

2. Two other US aircraft were also lost today in attacks north of Hanoi. An F-105 Thunderchief was shot down by an undetermined type of fire 20 miles northwest of the capital. The fate of the pilot is unknown and no rescue attempt will be made because of the proximity to Hanoi. A second F-105 was hit by hostile ground fire while attacking the Nguyen Khe POL facility. The pilot reported he was losing fuel and was forced to eject while returning to base. He has been recovered in good condition.

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#### North Vietnamese Naval Developments

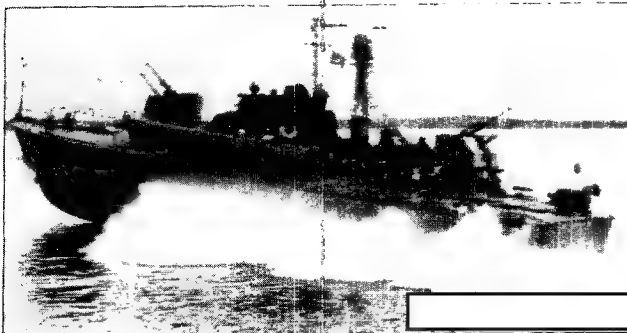
4. Information on the North Vietnamese naval order of battle, provided by the crews of three motor torpedo boats sunk by US aircraft on 1 July 1966, tallies closely with current US estimates of the strength of North Vietnam's navy. According to the captured crew members, the loss of their PT boats reduced the DRV Navy to nine craft capable of offensive operations. The Soviet Union supplied North Vietnam with 12 of the fast (52 knots) attack boats in November 1961.

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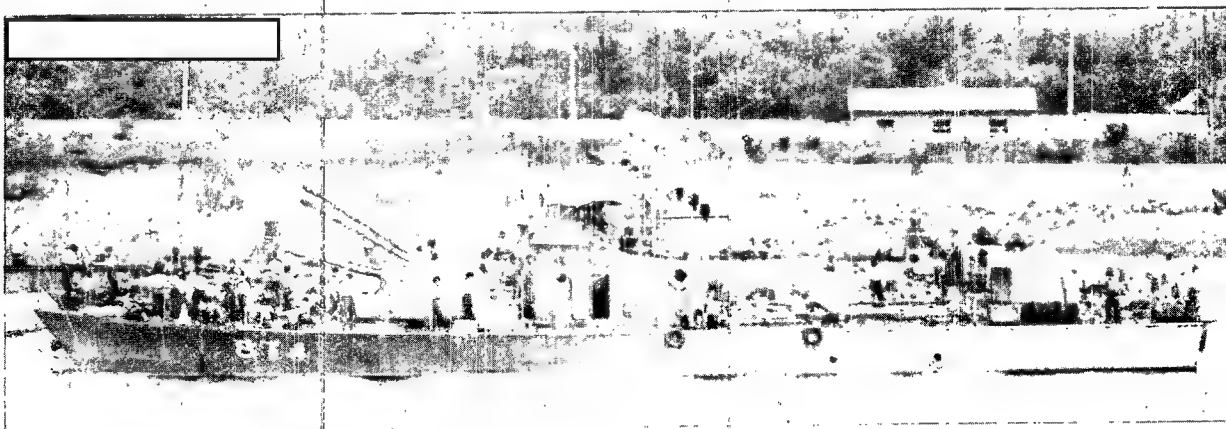
# DRV NAVAL COMBATANTS



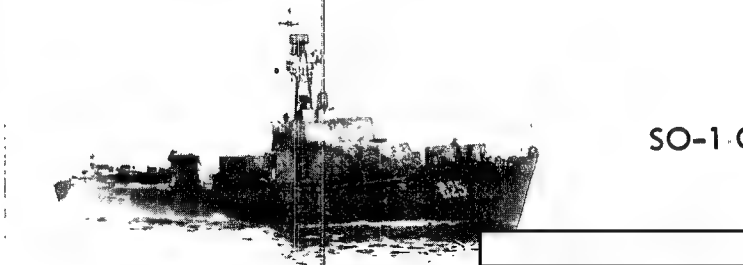
P-4 Class Motor Torpedo Boat

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"Swanghai" Class Fast Patrol Boat



SO-1 Class Subchaser

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"Swatow" Class Motor Gun Boat

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5. The remaining ships in the North Vietnamese naval inventory perform a variety of defensive roles ranging from coastal patrol to providing antiaircraft fire to supplement shore-based AAA. The largest of these ships is the Shanghai-class fast patrol boat (PTF). According to one of the captured naval officers, Communist China provided four PTFs to the DRV--two in late 1965 and two in early 1966. Photography [redacted] tend to confirm the officer's statement that the four boats are still operational. The source stated that North Vietnam had been promised an additional eight Shanghais but so far they had not been delivered.

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6. The prisoners also reported that North Vietnam possesses four SO-1 -class subchasers, provided by the Soviet Union in 1960-61. The anti-submarine warfare mission of these ships has been abandoned, according to the sources, and they are employed chiefly as patrol and training craft. The workhorse of the DRV coastal patrol force is the Swatow-class motor gunboat (PGM). These boats are known to have been built in Communist China, probably in Canton, and were transferred to the North Vietnamese starting in 1958. One of the captured crew members reported that a total of 24 had been delivered but that ten had been lost since the commencement of hostilities with the US. Damaged boats were said to be returned to China for repairs. [redacted]

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7. The captured crew members stated that the DRV Navy had received four 50-ton minesweeping boats from the French in 1954. They believed that these are docked in Haiphong but that they are in unserviceable condition. One of the sources stated that if North Vietnam was subjected to mining operations, it would have to request minesweeping assistance from Communist China.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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## V. COMMUNIST POLITICAL DEVELOPMENTS

1. A recently captured Communist document has provided one of the most explicit descriptions of the manner in which the Communist Party exercises control over the National Front for the Liberation of South Vietnam, and also portrays the role of the Front in local administrative bodies set up in South Vietnam by the Communists. The document, dated 10 November 1965, laid out the tasks for the party in the last quarter of 1965 and the first quarter of 1966 in Bien Hoa Province.

2. The document made clear that the key functions of the local "government" must be under the direction of the Communist Party. This local "government" will have the official title of "People's Village Liberation Committee." It does not appear from the document that these "committees" will be under the Liberation Front, but instead will be separate government organizations. The village front organization will only have under its subordination such activities as youth, farmer, and women's groups, political demonstrations, and proselytizing among the ARVN. The party will control organization and training and the "People's Village Liberation Committee" will control such normal governmental functions as finance, propaganda and information, supply procurement, culture and social welfare, health, and security.

3. The document went on, however, to make clear that the village administration will be under the direction of the local party representatives. For example, the secretary of the village party chapter should be appointed chairman of the "People's Village Liberation Committee." The deputy secretary of the village party chapter should be appointed "committee" member in charge of military affairs and a member of the party chapter should be appointed "committee" member in charge of finance economy and supply procurement and security.

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